SECOND REPORT

STANDING COMMITTEE ON FINANCE (1993-94)

(TENTH LOK SABHA)

MINISTRY OF PLANNING & PROGRAMME IMPLEMENTATION — DEMANDS FOR GRANTS (1993-94)

Presented to Lok Sabha on 4 May, 1993
Laid in Rajya Sabha on 4 May, 1993

LOK SABHA SECRETARIAT
NEW DELHI

April, 1993/Vaisakha, 1915 (Saka)

(JN)2 (BK)ls2104 18.06.93

F.C. No. 002

Price: Rs. 12.00

© 1993 By Lok Sabha Secretariat

Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Seventh Edition) and Printed by Manager, Govt. of India Press, Photolitho Unit, Minto Road, New Delhi.

CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE	(iii)
INTRODUCTION	(v)
REPORT	
CHAPTER I — INTRODUCTORY	1
CHAPTER II — Demand No. 65 (Deptt. of Planning)	3
CHAPTER III — Demand No. 66 (Deptt. of Statistics)	7
CHAPTER IV — Demand No. 67 (Deptt. of Programme Implementation)	9
ANNEXURES—I TO V	
STATEMENT OF CONCLUSIONS/RECOMMENDATIONS OF THE COMMITTEE CONTAINED IN THE REPORT	15
MINUTES	
19 April, 1993	20
22 April, 1993	22
29 April, 1993	24
ANNEXURES—I TO V	27

Corrigenda to the Second Report (1993-94) of Tenth Lok Sabha of the Standing Committee on Finance

Page	Para No.	Line	For	Read
Contents	-	-	Delete "Annexures I to IV...Page 27" at the bottom.	-
(iv)	Heading Sectt.	-	-	Add No.4 Sh.Mange Ram, Assistant Director.
1.	1.2	9	"deficient"	"efficient"
4	2.4	6	"Resoures"	"Resources"
4	2.7	3	"RE-1993-94"	"BE-1993-94"
8	3.6	3	"30%"	"39%"
10	Annexure 1	-	Delete 1991-92 under Major Head Column I	
10	Column 2	-	"1992-92"	"1991-92"
21	4	3	"though"	"thought"

COMPOSITION OF THE STANDING COMMITTEE ON FINANCE (1993-94)

CHAIRMAN

Dr. Debi Prosad Pal

MEMBERS

Lok Sabha

2. Shri P. Chidambaram
3. Shri Magunta Subbarama Reddy
4. Prof. K.V. Thomas
5. Shri Chandulal Chandrakar
6. Dr. K.V.R. Chowdary
7. Shri Chhitubhai Gamit
8. Shri Prithviraj D. Chavan
9. Shri S.B. Sidnal
10. Smt. Maragatham Chandrasekhar
11. Shri P.C. Chacko
12. Shri Prakash V. Patil
13. Shri Mahendra Kumar Singh Thakur
14. Shri B. Akbar Pasha
15. Shri Sushil Chandra Varma
16. Shri Jeewan Sharma
17. Shri Chetan P.S. Chauhan
18. Shri Dilipbhai Sanghani
19. Shri Manabendra Shah
20 Shri Sartaj Singh Chattwal
21. Shri Harin Pathak
22. Shri George Fernandes
23. Shri Abdul Ghafoor
24. Shri Srikanta Jena
25. Shri Satyapal Singh Yadav
26. Shri Nirmal Kanti Chatterjee
27. Prof. Susanta Chakraborty
28. Shri Basudeb Acharia
29. Shri Bhogendra Jha
30. Shri Kadambur M.R. Janardhanan

Rajya Sabha

31. Shri Jitendrabhai Labhshanker Bhatt
32. Shri Krishna Kumar Birla
33. Shri Triloki Nath Chaturvedi
34. Shri Gurudas Das Gupta
35. Shri K.R. Jayadevappa
36. Dr. Shrikant Ramchandra Jichkar

37. Dr. Murli Manohar Joshi
38. Shri Ghulam Rasool Matto
39. Shri Chimanbhai Mehta
40. Shri Kamal Morarka
41. Shri Rajubhai A. Parmar
42. Shri Ashis Sen
43. Shri Surinder Kumar Singla
44. Shri Arangil Sreedharan
45. Shri S. Vidhuthalai Virumbi

SECRETARIAT

1. Shri G.L. Batra — *Additional Secretary*
2. Shri Satish Loomba — *Deputy Secretary*
3. Shri Ram Autar Ram — *Under Secretary*

INTRODUCTION

I, the Chairman of the Standing Committee on Finance having been authorised by the Committee to submit the Report on their behalf, present this Second Report on Ministry of Planning & Programme Implementation—Detailed Demands for Grants (1993-94).

2. Owing to time constraints, the Committee could not call the representatives of the Ministry of Planning and Programme Implementation for evidence and confined their examination to the documents such as Detailed Demands for Grants, Annual Reports, Performance budgets; Eighth Five Year Plan, Annual Plan etc.

3. The Report was considered and adopted by the Committee on April 29, 1993.

NEW DELHI;
April 29, 1993
Vaisakha 9, 1915 (Saka)

DR. DEBI PROSAD PAL,
Chairman,
Standing Committee on Finance.

REPORT

CHAPTER I

INTRODUCTORY

The management of planned economy started with the launching of the First Five Year Plan with the aims of not only to raise the standard of the people but also open to them new opportunities for a richer and more varied life. This dual objective was to be achieved by the process of planning for growth, modernisation, self-reliance and social justice. The country has thus come a long way over the past forty years. A largely agrarian and feudal economy has been transformed to one that is, based on a well developed and a highly diversified infrastructure with immense potential for industrialisation.

FUNCTIONS

1.1 The responsibility of conceiving and formulating plans for utilising country's precious resources judiciously, removing regional imbalances, to accelerate economic development and monitor the performance of infrastructural sectors as well as the implementation of projects costing more than Rs. 20 crores has been entrusted to Ministry of Planning and Programme Implementation. The Ministry has three independent wings. These are Planning, Deptt. of Statistics and Department of Programme Implementation with budget outlay of Rs. 107.7 crores, Rs. 66 crores and Rs. 0.85 crores respectively for the year 1993-94.

1.2 The Planning Commission was constituted by a Resolution of the Govt. of India, on March 1950. The Commission has an advisory function and works under the overall guidance of the National Development Council chaired by the Prime Minister. The functions assigned to Planning Commission *inter alia*, are (i) to make an assessment of the material, capital and human resources of the country including technical personnel and explore the possibilities of augmenting such of these resources as are found to be in relation to the nation's requirements; (ii) to formulate a deficient plan for the most effective and balanced utilisation of country's resources; (iii) to determine priorities define the stages in which the Plan should be carried out and proper allocation of resources; (iv) to appraise progress achieved in execution of each stage of the Plan and recommend to adjustments of policy etc. Besides Planning Commission National Informatics Centre, Programme Evaluation Organisation and Institute of Applied Manpower and Research are the other organisations under the Deptt. of Planning.

1.3 The Department of Statistics is the apex body in the official statistical system in the country. *Inter-alia,* the Department has been entrusted with (i) Development and maintenance of norms and standards in the field of statistics, (ii) Advisory role regarding statistical methodology on Statistical analysis of collected data, (iii) Preparation of national accounts, (iv) the task of economic census, collection and compilation of industrial statistics etc.

1.4 The Deptt. of Programme Implementation was set up in 1985 as the management services arm of the Govt. of India in recognition of the need for exclusive attention to apex level central monitoring of Central Sector Projects and Key infrastructure sectors including the social sectors. It has three functional divisions, namely, the 20 Point Programmes Division, the Infrastructure Monitoring Division and the Project Monitoring Division.

CHAPTER II

AN ANALYSIS OF DEMANDS FOR GRANTS, 1993-94

The Ministry of Planning and Programme Implementation have presented three Demands viz. Demand Nos. 65, 66 and 67 relating to Planning, Department of Statistics and Department of Programme Implementation respectively. The Committee examined these Demands in brief due to paucity of time. The Demand-wise details of the expenditure is as under:

DEMAND NO. 65 — *Department of Planning*

2.1 The Budgetary allocation for the Deptt. of Planning, for the last two years and in the current year is as under:

(In thousands of Rupees)

Section	Actuals (1991-92)		B.E. (1992-93)		R.E. (1992-93)		B.E. (1993-94)	
	P*	NP*	P*	NP*	P*	NP*	P*	NP*
REVENUE	33,38,16	8,83,27	65,0000	22,44,00	59,00,00	18,87,00	71,65,00	17,70,00
CAPITAL	14,66,48	—	10,00,00	—	10,00,00	—	18,35,00	—

P*For plan
NP* For Non-plan

2.2 The following programmes/projects were examined by the Committee:

(i) Integrated Rural Energy Planning Programme
(ii) Island Development Authority
(iii) Management Consultancy Development
(iv) Strengthening of Planning Board/District Planning Machinery.

(i) Integrated Rural Energy Planning Programme: Major Heads '2501, 3601 and 3602'

2.3 The Budgetary allocations under Major Heads '2501' '3601' and '3602' are given in Annexure-I.

2.4 The rural areas of our country suffer from non-availability of energy for meeting subsistence and production needs of our people. The Integrated Rural Energy Planning Programme was launched in the Seventh Plan with the objectives of developing planning capabilities at micro-level and for providing planning in puts of energy for rural development. The Programme has made much headway in meeting energy requirements during seventh Plan period. A sum of Rs. 3000 crores was allotted as

against a target of Rs. 2358 crores to the Programme. The fruits of the Programme were enjoyed by 2 crore families, of which 45.10% were SC/ ST beneficiaries and the percentage of women beneficiaries was 18.92%. The Programme continued in the Eighth Plan with the objectives of providing energy to weaker sections by utilising total available energy resoures and providing energy as a critical input in the economic development of rural areas.

2.5 The Committee express their happiness over the modest beginning which the programme has made in making available energy to rural folk. But at the same time, the Committee are constrained to note the manner in which a pittance of just Rs. 15 crores is being provided to the Programme during 1993-94. Considering the fact that Rs. 250 crores have been earmarked during Eighth Plan the meagre amount of Rs. 15 crore in 93-94 is insufficient for such a Centrally Sponsored Scheme in a vast country like India. Recognising that there has been substantial rise on budget allocation for the programme since 1991-92, much remains to be done in this direction.

2.6 The Committee are of the view that energy is a critical input in the economic development of the rural areas which would result in the creation of employment, increased productivity and income, and accelerate the process of decentralised development. The Committee wish that Govt. should mobilise more resources for the programme to develop planning capabilities at micro-level fully by the end of the Eighth Plan and transfer this programme to a nodal Ministry concerned with Rural Development.

(ii) Island Development Authority : Major head '3451' A2(5)

2.7 The Budgetary allocation, under Major Head "3451"A2(5) are as under :

(Rs. in thousands)

ACTUALS (Plan) 1991-92	B.E. (Plan) 1992-93	R.E. (Plan) 1992-93	R.E. (Plan) 1993-94
4.40	5.00	5.00	10.00

2.8 The Island Development Authority was originally set up for integrated development of ecologically fragile Andaman & Nicobar and Lakshdweep group of Islands. A sum of Rs. 4.40 lakhs was actually spent by the Authority during 1991-92. The revised estimate for 1992-93 was Rs. 5 lakhs. However, there has been a substantial rise of 100% in outlay during 1993-94 which is still not adequate considering the big task that the Authority has to undertake.

2.9 The Committee are of the opinion that these groups of Islands have different set of problems not witnessed in the mainland. For an integrated development of these Islands, there is an immediate need to boost fisheries and tourism. The inter-island ferry services and island-mainland transportation system needs further augmentation. Considering ecological fragilities and acute poverty in these islands, there is an urgent need to step up resource mobilisation for the integrated economic development of these Islands. The Committee desire that while determining *inter-se* priorities amongst programmes, it should be first ensured that adequate resources are available. There is little merit in starting a programme without the requisite financial resources in sight.

(iii) Management Consultancy Development : Major Head '3451'A2(6)

2.10 The Budgetary allocations under Major Head "3451"A2(6) are as below:

(Rs. in thousands)

ACTUALS 1991-92	B.E. 1992-93	R.E. 1992-93	B.E. 1993-94
Plan	Plan	Plan	Plan
——	5.00	5.00	20.00

2.11 The Management Consultancy Services have been set up to improve efficiency and productivity. The in-house management consultancy units have demonstrated the usefulness of such services in identifying and analysing management problems besides serving as an effective-in-house problem solving mechanism and creating an environment of efficiency. These services have provided essential inputs for improving management of projects and programmes at all levels. The Committee are happy that recognising the imporatance of Management Consultancy Service in the management of projects and programmes at all levels, there has been rise in allocation by 300% during 1993-94 as compared to 1992-93.

(iv) Strengthening of Planning Board/District Planning Machinery : Major Head '3601' D2(2).

2.12 The Budgetary allocation under Major Head "3601"D2(2) is as follows:—

(Rs. in thousands)

ACTUALS 1991-92	B.E. 1992-93	R.E. 1992-93	B.E. 1993-94
Plan	Plan	Plan	Plan
23.75	1,00.00	1,00.00	2,00.00

2.13 The Committee note that decentralised planning in the planning process is the main ethos of the Eighth Five Year Plan, as the development

activities undertaken with the people's active participation have a greater chance of success and can also be more cost-effective as compared to the development activities undertaken by the Government where people become passive observers. The non-involvement of people has also led to the creation in them of an attitude of total dependence on Government for everything. The importance of decentralised local level planning and people's participation has been recognised. The Committee are happy that the Planning Commission has worked out institutional strategies which will mean creating or strengthening various people's institutions at the district, block and village level so that they synthesise the purpose of investment envisaged in the planning process with the optimisation of benefits at the grass-root level by relating these programmes to the needs of the people.

2.14 The Committee note that as part of its efforts to decentralise planning process, the Planning Commission provides assistance to the States to strengthen Planning machinery at the State and district levels. The Grant-in-aid to State Governments given for the purpose during the year 1991-92 was Rs. 23.75 lakhs, which rose to Rs. 1 crore during 1992-93. Although there is a rise of about 100% in the assistance during the current year, it is still insignificant when compared to gigantic task the states have to undertake for strengthening the planning machinery at Block/District level. The Committee view with concern that unless and until planning machinery at State/District levels is strengthened, the planning process shall not become a people's movement and the laudable objectives set forth in the Eighth Plan may not be realised. The Committee cannot but recommend that more funds may be provided to the States for activating planning machinery, lest it may cripple the whole planning structure.

CHAPTER III

DEMAND NO. 66 — *Deptt. of Statistics*

The Budgetary provision for the Deptt. of Statistics for the last two years and in the current year is given in Annexure-II.

The Committee have taken National Sample Survey Organisation, Computer Services and Central Statistics Organisation for examination.

(A) Major Head '3454'-B-Census Surveys & Statistics, B1 Surveys & Statistics B(1)—National Sample Surveys Organisation.

3.1 The Budgetary allocation for National Sample Surveys Organisation during last two years and in the current year is given in Annexure-III.

3.2 The Committee note that the establishment charges in NSSO, 'Plan' was 5.49 lakhs in 1991. As against budget estimate of Rs. 5.81 crores during 1992-93, Rs. 2.43 crores were utilised which shows that an amount of Rs. 3.38 crores remained unutilised. The allocation for the year 1993-94 has been stepped up by Rs. 3.23 crores as compared to RE for 1992-93. The Committee wish to know why there is under-utilisation in 92-93 and what is the need to seek more plan-allocation for the year 1993-94. The Committee are at a loss to understand why no mention of under-utilisation of the amount has been made in the performance budget. The Committee, however, do not find any perceptible increase under non-plan expenditure.

Major Head '3454'—Census Surveys & Statistics B 1 (3) Computer Services

3.3 The Budgetary allocation for the last years and in the current year for Computer Services are given in Annexure-IV.

3.4 The Committee note that Establishement charges for salaries, wages etc. under 'Plan' for BE of 1992-93 was Rs. 18 lakhs of which just Rs. 4 lakhs was utilised. The Committee are constrained to observe that even after underspending, the Budget allocation for 1993-94 has been proposed to be enhanced by about 22 times as compared to RE for 92-93. The Lackadaisical manner in which the budget proposals are put forward is a matter of great concern. It is also surprising that the reasons for not utilising the budgeted amount has not been indicated anywhere.

Major Head '3454' — Census Surveys & Statistics B 1 (4) Central Statistical Organisation

3.5 The Budgetary allocation for the last two years and in the current year for Central Statistical Organisation are given in Annexure-V.

3.6 Analysis of the tabulation given in Annexure V makes it clear that just 61% of total allocation for the year 1992-93 was spent under 'Plan' and 30% remained unutilised. The Committee are astonished to note that even after underspending the Ministry have sought higher allocation of more than three times during 93-94.

3.7 The Committee note that the three organisations i.e. National Sample Survey Organisation, Computer Services and Central Statistic Organisation under the Department of Statistics were unable to utilise the budget allocation made to them under Planned schemes. The Committee would like to seek clarification on these points from the Deptt. of Statistics.

CHAPTER IV

DEMAND NO. 67 — *Department of Programme Implementation*

The total funds sought for this Department in the Budget Estimate for 93-94 are only Rs. 85 lakhs and this Committee do not have specific comments on the Demands for Grant. However, the Committee note that the Infrastructure Monitoring Division monitors the production performance of nine core industrial infrastructure sectors, namely, Power, Coal, Steel, Railways, Telecommunications, Shipping and Ports, Fertilizers, Cement and Petroleum & Natural Gas. It is the task of this Division to identify problem areas in these sectors which require coordination between different Ministries for overcoming critical bottlenecks. The Committee note with regret that the overall generation of power during April to November, 92 was less than the target, with both Thermal and Nuclear generation being behind their targets. Though Hydro-Generation was higher than the target by 2.3%, it was lower than the generation of corresponding period of last year, by 4.7%. The revenue earning freight traffic moved by Railways during April to Novemeber, 92 was also marginally lower against the target and so was the cargo handled by Kandla and JNPT Ports. The total coal production during April to November, 92 was also lower by 3.2% against the target and so was the daily coal loading by rail in their wagons. Similarly, the Committee note that production of telephone instruments, ingot steel, receipt of cooking coal at SAIL were all behind the targets. The production of crude oil during April to November, 92 was less than the target and the production of corresponding period last year. The Committee feel that when performance of these crucial sectors is coming down, the infrastructure performance division of the Department of Programme Implementation must concentrate on critical areas only and delegate routine compilation work to the Administrative Ministries. It must take specific measures for actual coordination between Ministries so that the overall performance of the infrastructure sector is improved and critical bottlenecks are removed.

NEW DELHI;
April 29, 1993

Vaisakha 9, 1915 (Saka)

DR. DEBI PROSAD PAL
Chairman,
Standing Committee on Finance.

ANNEXURE I

(Para 2.3 of the Report)

STATEMENT SHOWING BUDGETARY ALLOCATION UNDER INTEGRATED RURAL ENERGY PLANNING PROGRAMME

(In thousand rupees)

MAJOR HEAD 1991-92	ACTUALS 1992-93	B.E. 1992-93	R.E. 1992-93	B.E. 1993-94	REMARKS
	Plan	Plan	Plan	Plan	
2501	15.25	60.00	60.00	3.25.00	The allocation includes provision for training, Grant-in-aid to Delhi Energy Development Agency and others.
3601	3,67.46	6,34.00	6,34.00	11,65.00	The allocation makes provision for Grant-in-aid to State Govts. under Central Plan Scheme.
3602	4.84	6.00	6.00	10.00	The allocation makes provision for Grant-in-aid to UTs under Grants for Central Plan Scheme.

ANNEXURE II

(Para 3.0 of the Report)

STATEMENT SHOWING BUDGETARY ALLOCATION FOR DEPTT. OF STATISTICS

(In thousand rupees)

Section	ACTUALS 1991-92		BUDGET ESTIMATES 1992-93		REVISED ESTIMATES 1992-93		BUDGET ESTIMATES 1993-94	
	P	NP	P	NP	P	NP	P	NP
REVENUE	5,22,89	41,83,41	15,10,00	44,90,00	10,10,00	49,50,00	16,80,00	49,34,00
CAPITAL	2,07,03	—	90,00	—	90,00	—	20,00	—
G. Total	7,29,92	41,83,41	16,00,00	44,90,00	11,00,00	49,50,00	17,00,00	49,34,00

ANNEXURE III

(Para 3.1 of the Report)

STATEMENT SHOWING BUDGETARY ALLOCATION FOR NATIONAL SAMPLE SURVEYS ORGANISATIONS

(In thousand rupees)

ACTUALS 1991-92		BUDGET ESTIMATES 1992-93		REVISED ESTIMATES 1992-93		BUDGET ESTIMATES 1993-94		REMARKS
Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	
5,49	26,74,03	5,81,00	28.14,00	2,43,00	29,87,00	5,66,35	29,50,00	The budgetary allocation provides for Salaries, Wages, Overtime All Travel Expenses, Office Expenses, Hospitality Expenses & Other expenses.

ANNEXURE IV

(Para 3.3 of the Report)

STATEMENT SHOWING BUDGETARY ALLOCATION FOR COMPUTER SERVICES

(In thousand rupees)

ACTUALS 1991-92		BUDGET ESTIMATES 1992-93		REVISED ESTIMATES 1992-93		BUDGET ESTIMATES 1993-94		REMARKS
Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	
10.47	1,07,81	18,00	1,33,00	4,00	1,27,00	87,50	1,34,00	The provision is for Salaries, Wages, OTA, Travel Expenses, Office Expenses, Hospitality Expenses.

ANNEXURE V

(Para 3.5 of the Report)

STATEMENT SHOWING BUDGETARY ALLOCATION FOR CENTRAL STATISTICAL ORGANISATION

(In thousand rupees)

ACTUALS 1991-92		BUDGET ESTIMATES 1992-93		REVISED ESTIMATES 1992-93		BUDGET ESTIMATES 1993-94		REMARKS
Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	
30.86	2,89.04	2,47,00	3,32,00	1,50,00	3,33,00	5,37,15	3,63,00	The budgetary allocation makes provision for Salaries, Wages, OTA, Travel Expenses, Office Expenses, Hospitality Expenses and other charges.

Statement of Conclusions/Recommendations of the Standing Committee on Finance contained in the Report

S.No.	Reference of Para No. in the Report	Conclusions/Recommendations
1	2	3
1.	2.5	The Committee express their happiness over the modest beginning which the programme has made in making available energy to rural folk. But at the same time, the Committee are constrained to note the manner in which a pittance of just Rs. 15 crores is being provided to the Programme during 1993-94. Considering the fact that Rs. 250 crores have been earmarked during Eighth Plan the meagre amount of Rs. 15 crore in 93-94 is insufficient for such a Centrally Sponsored Scheme in a vast country like India. Recognising that there has been substantial rise in budget allocation for the programme since 1991-92, much remains to be done in this direction.
2.	2.6	The Committee are of the view that energy is a critical input in the economic development of the rural areas which would result in the creation of employment, increased productivity and income and accelerate the process of decentralised development. The Committee wish that Govt. should mobilise more resources for the programme to develop planning capabilities at micro-level fully by the end of the Eighth Plan and transfer this programme to a nodal Ministry concerned with Rural Development.
3.	2.9	The Committee are of the opinion that these groups of Islands have different set of problems not witnessed in the mainland. For an integrated development of these Islands, there is an immediate need to boost fisheries and tourism. The inter-island ferry services and island-mainland transportation system needs further augmentation. Considering ecological fragilities and acute poverty in these islands, there is an urgent need to step up resource mobilisation for the integrated economic development of these

1	2	3
		Islands. The Committee desire that while determining *inter-se* priorities amongst programmes, it should be first ensured that adequate resources are available. There is little merit in starting a programme without the requisite financial resources in sight.
4.	2.11	The Management Consultancy Services have been set up to improve efficiency and productivity. The in-house management consultancy units have demonstrated the usefulness of such services in identifying and analysing management problems besides serving as an effective-in-house problem solving mechanism and creating an environment of efficiency. These services have provided essential inputs for improving management of projects and programmes at all levels. The Committee are happy that recognising the importance of Management Consultancy Service in the management of projects and programmes at all levels, there has been rise in allocation by 300% during 1993-94 as compared to 1992-93.
5.	2.13	The Committee note that decentralised planning in the planning process is the main ethos of the Eighth Five Year Plan, as the development activities undertaken with the people's active participation have a greater chance of success and can also be more cost-effective as compared to the development activities undertaken by the Government where people become passive observers. The non-involvement of people has also led to the creation in them of an attitude of total dependence on Government for everything. The importance of decentralised local level planning and people's participation has been recognised. The Committee are happy that the Planning Commission has worked out institutional strategies which will mean creating or strengthening various people's institutions at the district, block and village level so that they synthesise the purpose of investment envisaged in the planning process with the optimisation of benefits at the grass-root level by relating these programmes to the needs of the people.
6.	2.14	The Committee note that as part of its efforts to decentralise planning process, the Planning Commission provides assistance to the States to strengthen Planning machinery at the State and district levels. The Grant-in-aid to State Government given for the

1	2	3
		purpose during the year 1991-92 was Rs. 23.75 lakhs, which rose to Rs. 1 crore during 1992-93. Although there is a rise of about 100% in the assistance during the current year, it is still insignificant when compared to gigantic task the states have to undertake for strengthening the planning machinery at Block/ District level. The Committee view with concern that unless and until Planning machinery at State/District levels is strengthened, the planning process shall not become a people's movement and the laudable objectives set forth in the Eighth Plan may not be realised. The Committee cannot but recommend that more funds may be provided to the States for activating Planning machinery, lest it may cripple the whole planning structure.
7.	3.2	The Committee note that the establishment charges in NSSO, 'Plan' was Rs. 5.49 lakhs in 1991. As against budget estimate of Rs. 5.81 crores during 1992-93, Rs. 2.43 crores were utilised which shows that an amount of Rs. 3.38 crores remained unutilised. The allocation for the year 1993-94 has been stepped up by Rs. 3.23 crores as compared to RE for 1992-93. the Committee wish to know why there is under-utilisation in 92-93 and what is the need to seek more plan-allocation for the year 1993-94. The Committee are at a loss to understand why no mention of under-utilisation of the amount has been made in the performance budget. The Committee, however, do not find any perceptible increase under non-plan expenditure.
8.	3.4	The Committee note that Establishment charges for salaries, wages etc. under 'Plan' for BE of 1992-93 was Rs. 18 lakhs of which just Rs. 4 lakhs was utilised. The Committee are constrained to observe that even after under-spending, the Budget allocation for 1993-94 has been proposed to be enhanced by about 22 times as compared to RE for 92-93. The lackadaisical manner in which the budget proposals are put forward is a matter of great concern. It is also surprising that the reasons for not utilising the budgeted amount has not been indicate anywhere.
9.	3.6	Analysis of the tabulation given in Annexure V makes it clear that just 61% of total allocation for the year 1992-93 was spent under 'Plan' and 39%

1	2	3
		remained unutilised. The Committee are astonished to note that even after underspending, the Ministry have sought higher allocation of more than three times during 93-94.
10.	3.7	The Committee note that the three organisations *i.e.* National Sample Survey Organisation, Computer Services and Central Statistics Organisation under the Department of Statistics were unable to utilise the budget allocation made to them under Planned schemes. The Committee would like to seek clarification on these points from the Deptt. of Statistics.
11.	4	The total funds sought for this Department in the Budget Estimate for 93-94 are only Rs. 85 lakhs and this Committee do not have specific comments on the Demands for Grant. However, the Committee note that the Infrastructure Monitoring Division monitors the production performance of nine core industrial infrastructure sectors, namely, Power, Coal, Steel, Railways, Telecommunications, Shipping and Ports, Fertilizers, Cement and Petroleum & Natural Gas. It is the task of this Division to identify problem areas in these sectors which require coordination between different Ministries for overcoming critical bottlenecks. The Committee note with regret that the overall generation of power during April to November, 92 was less than the target, with both thermal and Nuclear Generation being behind their targets. Though Hydro-Generation was higher than the target by 2.3%, it was lower than the generation of corresponding period of last year, by 4.7%. The revenue earning freight traffic moved by Railways during April to November, 92 was also marginally lower against the target and so was the cargo handled by Kandla and JNPT Ports. The total coal production during April to November, 92 was also lower by 3.2% against the target and so was the daily coal loading by rail in their wagons. Similarly, the Committee note that production of telephone instruments, ingot steel, receipt of coking coal at SAIL were all behind the targets. The production of crude oil during April to November, 92 was less than the target and the production of corresponding period

1	2	3
		last year. The Committee feel that when performance of these crucial sectors is coming down, the infrastructure performance division of the Department of Programme Implementation must concentrate on critical areas only and delegate routine compilation work to the Administrative Ministries. It must take specific measures for actual coordination between Ministries so that the overall performance of the infrastructure sector is improved and critical bottlenecks are removed.

MINUTES

STANDING COMMITTEE ON FINANCE (1993-94)

First Sitting

19.4.1993

The Committee sat from 16.00 hrs. to 17.45 hrs.

PRESENT

Dr. Debi Prosad Pal — *Chairman*

MEMBERS

Lok Sabha

2. Prof. K.V. Thomas
3. Shri Chandulal Chandrakar
4. Shri Prithviraj D. Chavan
5. Shri S.B. Sidnal
6. Shri Mahendra Kumar Singh Thakur
7. Shri B. Akbar Pasha
8. Shri Sushil Chandra Varma
9. Shri Jeewan Sharma
10. Shri Chetan P.S. Chauhan
11. Shri Dileepbhai Sanghani
12. Shri Manabendra Shah
13. Shri Sartaj Singh Chhatwal
14. Shri George Fernades
15. Shri Srikanta Jena
16. Shri Nirmal Kanti Chatterjee
17. Prof. Susanta Chakraborty
18. Shri Bhogendra Jha

Rajya Sabha

19. Shri Jitendrabhai Labhshanker Bhatt
20. Shri K.R. Jayadevappa
21. Shri Ghulam Rasool Matto
22. Shri Ashis Sen
23. Shri Arangil Sreedharan

SECRETARIAT

1. Shri S. Loomba — *Deputy Secretary*
2. Shri Mange Ram — *Assistant Director*

2. At the outset, the Chairman welcomed the Members to the first sitting of the Committee and briefed the Members regarding the functions of the Committee.

3. Some Members referred to the Third Report of the Rules Committee and wanted suspension of Rule No. 331G(a) and (b) whereunder after the general discussion on the Budget in the Houses is over, the Houses shall be adjourned for a fixed period'. The Chairman stated that regarding the suspension of the Rule, a proposal has to be placed before the Speaker and this being the first year of the operation of the Committee, it could perhaps look over these procedural difficulties.

4. Some Members suggested that sitting hours of the Parliament may be restricted upto 4 p.m. after which the Committees may function. It was though necessary that Chairman may have a word with the Speaker in this regard.

5. The Chairman then drew the attention of the Members to the submission of the Report within the available time of one week. The Chairman desired to know the points to be raised by the members on the Demands for Grants (1993-94) already circulated to them. The members pointed out that certain Demands of Ministry of Finance relating to Interest Payments, Payments to Financial Institutions and Transfers to State Governments have to be studied in depth.

6. Some members stated that the notes in the Demands for Grants are not adequate and other relevant Reports may be obtained from the Ministry. The Chairman held the view that since time was short a qualifying Report could be submitted by the Committee within the time available and further examination could be done in course of the year. The Chairman then asked the members to give further direction for facilitating the preparation of the Report.

7. It was sought to be known by some members whether the National Housing Bank was performing satisfactorily and whether further allocations were justified for such institutions tainted in the Scam.

8. The Chairman decided that the next sitting of the Committee will be held on 22nd April, 1993 at 16.00 hrs.

The Committee then adjourned.

MINUTES

STANDING COMMITTEE ON FINANCE (1993-94)

Second Sitting

22.4.1993

The Committee sat from 16.00 hrs. to 19.15 hrs.

PRESENT

Dr. Debi Prosad Pal — *Chairman*

MEMBERS

Lok Sabha

2. Shri Chandulal Chandrakar
3. Dr. K.V.R. Chowdary
4. Shri Chhitubhai Gamit
5. Shri Prithviraj D. Chavan
6. Shri S.B. Sidnal
7. Smt. Maragatham Chandrasekhar
8. Shri Mahendra Kumar Singh Thakur
9. Shri B. Akbar Pasha
10. Shri Sushil Chandra Varma
11. Shri Jeewan Sharma
12. Shri Chetan P.S. Chauhan
13. Shri Dileepbhai Sanghani
14. Shri Manabendra Shah
15. Shri George Fernandes
16. Shri Nirmal Kanti Chatterjee
17. Prof. Susanta Chakraborty
18. Shri Basudeb Acharia
19. Shri Kadambur M.R. Janardhanan

Rajya Sabha

20. Shri Jitendrabhai Labhshanker Bhatt
21. Shri Krishna Kumar Birla
22. Shri Triloki Nath Chaturvedi
23. Shri Gurudas Das Gupta
24. Dr. Shrikant Ramchandra Jichhar
25. Shri Ghulam Rasool Matto
26. Shri Rajubhai A. Parmar
27. Shri Ashis Sen
28. Shri Surinder Kumar Singla

SECRETARIAT

1. Shri S. Loomba — *Deputy Secretary*
2. Shri Mange Ram — *Assistant Director*

2. At the outset, the Chairman stated that only a qualifying report will be submitted by the Committee this year due to the paucity of time. The Chairman, then invited suggestions from the Members based upon the Demands for Grants pertaining to the Ministries of Finance and Planning and Programme Implementation, so as to facilitate the preparation of the Report. At this juncture, some Members suggested for calling of the officials of the Ministry of Finance for evidence before the Committee. The Chairman clarified to the Members that since time was very short and calling official evidence shall entail more time, a brief questionnaire will be sent to the Ministry of Finance inviting their comments on the queries raised by the Committee.

3. The Chairman pointed out to the Members that at the initial stage, there are certain teething problems which have to be overcome and sought the cooperation of the Members. The Chairman further stated that detailed examination will be conducted in the course of the year. The Chairman then placed before the Members a questionnaire containing 21 points proposed to be forwarded to the Ministry of Finance after their approval.

4. The Members discussed the List of Points contained in the questionnaire and brought out certain suggestions which mainly related to strengthening of the Rural Banks; interest payments; capital funds for nationalised banks; taxation policy and allocations to small scale industries. Some Members also suggested that implementation of the centrally sponsored schemes monitored by the Ministry of Planning and Programme Implementation may be scrutinised properly. The Members, approved the questionnaire adding 8 additional points and desired that the questionnaires be sent to the Ministry of Finance. The Committee decided that the questionnaire should be sent to the Ministry asking them to furnish their replies within 2 to 3 days.

5. Some Members also highlighted the fact that the Ministry of Finance does not prepared any performance budget like other Ministires and desired that the Ministry of Finance may be asked to submit a performance budget to Parliament.

6. The Chairman informed the Members regarding the applicability of Rule 331G(a) Rules Committee (Third Report) which was discussed in the last sitting, he had had a word with the Speaker on the matter. The Chairman stated that Speaker had desired that the Committee may go ahead with the preparation of the Report this year.

7. The Chairman, then decided in consultation with the Members that the next sitting of the Committee will be a held on 29 April, 1993 at 1530 hrs. and asked the Members to send their additional comments in writing latest by Monday, 26th April, 1993.

The Committee then adjourned

MINUTES

STANDING COMMITTEE ON FINANCE (1993-94)

Third Sitting

29.4.1993

The Committee sat from 1530 hrs. to 1750 hrs.

PRESENT

Dr. Debi Prosad Pal — *Chairman*

MEMBERS

Lok Sabha

2. Shri Chandulal Chandrakar
3. Dr. K.V.R. Chowdary
4. Shri Chhitubhai Gamit
5. Shri Prithviraj D. Chavan
6. Shri S.B. Sidnal
7. Shri Jeewan Sharma
8. Shri P.S. Chauhan
9. Shri Manabendra Shah
10 Shri Abdul Ghafoor
11. Shri Nirmal Kanti Chatterjee
12. Prof. Susanta Chakraborty
13. Shri Kadambur M.R. Janardhanan

Rajya Sabha

14. Shri Jitendrabhai Labhshanker Bhatt
15. Shri Krishna Kumar Birla
16. Shri Triloki Nath Chaturvedi
17. Shri Gurdas Das Gupta
18. Shri Ghulam Rasool Matto
19. Shri Kamal Morarka
20. Shri Rajubhai A. Parmar
21. Shri Ashis Sen
22. Shri Surinder Kumar Singla

SECRETARIAT

1. Shri S. Loomba — *Deputy Secretary*
2. Shri Mange Ram — *Assistant Director*

2. At the outset, the Chairman called upon the members to give their suggestions/amendments on the First and Second draft Reports of the Committee circulated to them relating to Ministry of Finance and Ministry of Planning and Programme Implementation.

3. Some Members expressed their views relating to transfers to State Government; Payments to Nationalised Banks; outflow of foreign exchange; strengthening of RRBs and the structure of reinsurance. The members then desired that the Committee should pursue a detailed and in-depth study on the points raised by them. The Chairman then clarified to the members that due to time constraint a detailed Report cannot be submitted by the Committee this time. He further stated that at present the Committee will submit a preliminary Report only. The Chairman also explained to the members that the Committee is a standing body and detailed investigation would be carried out in the the course of the year.

4. Some members desired that the Committee should examine the Finance Bill. At this juncture, the Chairman drew the attention of the members to Rule 331 H(b) of Rules Committee (Third Report) which stipulates that the Committee can examine only those Bills which are referred to it by the Speaker. The Chairman also stated that he will have a word with the Speaker on the matter after the presentation of the Reports.

5. The Chairman impressed upon the members to confine their discussion on the finalisation of the draft Reports. The Chairman also desired that the members should give their amendments on the Reports precisely so as to incorporate them in the draft Reports. The memebrs then submitted certain amendments on the draft First Report

6. The Committee adopted the First Report with minor amendments * * * * and adopted the Second Report without any amendment.

7. The Chairman then took leave of the members for presentation of the Reports and informed them that the First and Second Reports of the Committee are likely to be presented to the House on 3.5.1993.

The Committee then adjourned

ANNEXURE

AMENDMENTS/MODIFICATIONS MADE BY STANDING COMMITTEE ON FINANCE AT THEIR SITTING HELD ON 29 APRIL, 1993 IN DRAFT REPORT ON THE DEMANDS FOR GRANTS OF MINISTRY OF FINANCE

Page	*Para*	*Line*	*Amendments/Modifications*
(iii)	*3*	*7—9*	*For 'currency' and coinage matters' Substitute* 'Banking
			For 'and collection tax, the Committee feel'
			Substitute 'and other important issues, many members felt'
			After 'scrutiny'
			Insert 'on these subjects'
	4	3	*After* '.... notice' *add* 'and also to the secretariat for preparing the Report quickly'.
1-2	1	5 from bottom	*For* 'The Committee express ..... capital in future.'
			Substitute 'The Committee feel that an investigation should be carried out to find out who the defaulters are for non return of loans, and measures taken to ensure that such losses do not recur. The Committee will await further action by the Ministry in this regard'.
2	2	11-3 from bottom	*For* 'Perhaps the Government ..... institution and the Government'
			Substitute 'The Ministry of Finance should formulate a scheme whereby the Central Revenues do not have to bear the loss due to exchange rate fluctuation.'
3	3	5 from bottom	*For* 'sentiment'
			Substitute 'views'
4	—	3	*After* '..... over the same'
			Insert ', hoping that its full share of Rs. 35 crores will be provided quickly'
5	6	6	*Delete* 'affecting their efficiency and productivity' 27

Page	*Para*	*Line*	*Amendments/Modifications*
6	8	*4 from bottom*	*For* '..... take up this matter ..... the General Revenues as required' *Substitute* 'find out ways and means to ensure that this subsidy is reduced to the minimum and the Railways are able to meet their budget without subsidy.'
7	—	7	*After* ..... exchequer' *Insert* 'Targets set may be intimated'.